UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 1
5 POST OFFICE SQUARE, SUITE 100
BOSTON, MA 02109-3912

SEP 2 7 2011

CERTIFIED MAIL
RETURN RECEPIT REQUESTED

David Glendon, President and CEO
Sprague Energy Corp.
Two International Drive, Suite 200
Portsmouth, NH 03801-6809

URGENT LEGAL MATTER
REQUIRES PROMPT RESPONSE

Re: Testing Order for Information Under Section 114 of the Clean Air Act, 42 U.S.C. § 7414(a)

Dear Mr. Glendon:

This Testing Order is part of an Environmental Protection Agency investigation to determine whether Sprague Energy Corp. (Sprague) has violated sections of the Clean Air Act (Act), 42 U.S.C. § 7401 et seq., at its terminal locations in New England.

EPA issues this Testing Order pursuant to Section 114 of the Act, 42 U.S.C. § 7414. Under Section 114, EPA may require any person who is subject to any requirement of the Act to: establish records; make reports; sample emissions at the location and in the manner prescribed by EPA; and provide other information that EPA requires.

This Testing Order requires Sprague to monitor and sample the headspace of tanks containing #6 oil and asphalt for VOC and HAP content, and to monitor and sample related loading operations, at Sprague locations in New England.

1. Within fourteen days of receipt of this Testing Order, contact EPA's Bill Osbahr at (617) 918-8389 to discuss the pre-test protocol and the scheduling of a pre-test conference.

2. Within 60 days of receipt of this Testing Order, prepare and mail to EPA and the appropriate state environmental agency a pre-test protocol for performing headspace monitoring and a sample analysis program for tanks and loading operations of residual oil (#6 oil) and asphalt. Sprague shall follow the sampling and test methods specified in the Testing Order. Or, if desired, Sprague may propose a different sampling or test method and submit to EPA for approval in writing with the pre-test protocol. Note, if a different method is proposed, EPA may require additional information.

3. Sprague shall select at least one #6 oil tank and at least one asphalt tank to be tested. Each tank selected for testing must be located in New England and must

be an active tank. An active tank is a tank that contains product, is heated, is connected to a truck loading rack, and is in service. Each tank selection shall be submitted to EPA in writing with the pre-test protocol for EPA's review and approval.

4. Sprague shall continuously monitor VOC emissions from each tank vent using Reference Method 25a under 40 C.F.R. Part 60, Appendix A. Note that depending on the tank vent configuration, a temporary total enclosure consistent with EPA Method 204 may need to be established prior to monitoring. Sprague shall install a continuous vapor emissions monitor at the tank vent to monitor and record vapor concentrations from the tanks.

    a. At a minimum, Sprague shall install the continuous monitor and commence monitoring 24 hours before a scheduled tank filling and monitoring shall continue during and after the tank filling process. The continuous monitoring shall continue for at least 30 days. Sprague shall continuously monitor and record the tanks' vapor concentrations in units of parts per million as methane on a volumetric basis ("ppmv"), and provide EPA with the recorded concentration results as provided below. Sprague shall also monitor air flow and provide results to EPA. Based on the monitoring data, Sprague shall calculate a VOC emissions rate in pounds per hour.
    b. Following each tank filling or delivery event that occurs during the 30 days of monitoring, Sprague shall collect a product sample and analyze for vapor pressure using ASTM Method D2879 as well as ASTM D323-82 or 94.
    c. At least once per day during the 30 days of testing Sprague shall record the temperature of the product(#6 oil and asphalt) in each tank.
    d. At least once per day during the 30 days of testing Sprague shall record the quantity of product (in gallons and percent capacity) stored in each tank.

5. Sprague shall analyze for HAP content in the emissions from each tank using EPA Method TO-15. Sprague shall determine HAP emissions for each tank that is tested. Based on the monitoring data, Sprague shall calculate a HAP emissions rate in pounds per hour.

6. Sprague shall monitor VOC emissions from truck and/or rail loading operations. During the 30 days that VOC emissions are monitored from the tank, Sprague must also monitor VOC emissions from truck and/or rail loading operations. Based on the monitoring data, Sprague shall calculate a VOC emissions rate in units of pounds per hour as well as in units of pounds VOC emitted per gallon of oil/asphalt loaded.

7. Within 90 days of receipt of this Testing Order, Sprague shall revise and resubmit the test protocol in accordance with any written EPA comments or required

changes. EPA shall approve, approve with conditions, or disapprove Sprague's test protocol in writing. Sprague's tank selection will be subject to EPA's review and approval as part of this process.

8. No later than March 31, 2012, Sprague shall monitor and analyze tank headspace for VOC and HAP emissions for #6 oil.

9. No later than May 31, 2012, Sprague shall monitor and analyze tank headspace for VOC and HAP emissions for asphalt.

10. Within 30 days of completing the testing, submit a complete test report to EPA and the appropriate state environmental agency. Included with the test report, Sprague shall also submit:

    a. A description of any maintenance (or other repairs or changes) done on the tanks, loading racks, and/or any vapor collection and processing system between the date of receipt of this letter and the EPA-observed emissions test date, including a description of the reason(s) for such maintenance; and
    b. The data and results from any pre-test sampling and/or engineering studies Sprague elects to conduct on the tanks, loading racks, and/or any vapor collection and processing system between the date of receipt of this letter and the EPA-observed emissions test date, and any memos or reports that summarize the results of the same.

Attachment A to this Testing Order provides lists of guidelines for pre-test protocols and post-test final reports. In specific circumstances, EPA may request additional information.

Submissions required by this letter shall be mailed to all of the following:

Elizabeth A. Kudarauskas US EPA Region I 5 Post Office Square, Suite 100 Mail Code: OES-04-2 Boston, Massachusetts 02109-3912	William Osbahr US EPA Region I Mail Code EIA 11 Technology Drive North Chelmsford, MA 01863-2431

Be aware that if Sprague does not provide all the information required under the Testing Order in a timely manner, fails to timely submit a test protocol in accordance with EPA's requirements, fails to conduct the required emissions test in a timely manner, or fails to submit a timely and complete test report, EPA may order it to comply and may assess monetary penalties under Section 113 of the Act, 42 U.S.C. § 7413. Note that federal law also establishes criminal penalties for providing false information to EPA. This letter is not subject to Office of Management and Budget review pursuant to the Paperwork Reduction Act, 44 U.S.C. Chapter 35.

You may assert a business confidentiality claim covering part or all of the information requested, in the manner described by 40 CFR § 2.203(b). Information covered by such a claim will be disclosed by EPA only to the extent, and by means of the procedures, set forth in 40 CFR Part 2, Subpart B. Note that certain categories of information, such as emission data, are not properly the subject of such a claim. If no such claim accompanies the information when EPA receives it, EPA may make the information available to the public without further notice to you. Please be aware that states may have different rules and regulations governing the protection of confidential business information.

If you have any questions regarding this Testing Order, please contact Environmental Engineer Elizabeth Kudarauskas, at (617) 918-1564, or have your attorney call Senior Enforcement Counsel Thomas Olivier at (617) 918-1737.

Sincerely,

Susan Studlien

Susan Studlien, Director
Office of Environmental Stewardship

Enclosure

cc: Pamela Monroe, NH DES
Robert Girard, CT DEP
Ted Burns, RI DEM
Kurt Tidd, ME DEP
Ed Pawlowski, MA DEP Northeast Regional Office
Laurel Carlson, MA DEP Southeast Regional Office

REQUIREMENTS FOR AIR EMISSIONS TESTING

A. PRETEST INFORMATION REQUIREMENTS

In order to establish uniform requirements and help ensure that proper test methods and procedures are utilized, the information specified below must be submitted to EPA Region 1 in the form of a test protocol. EPA will notify the company of any deficiencies or required changes in the test protocol. Following such notification, the company shall revise and resubmit the test protocol for EPA review and approval.

Except as otherwise provided by EPA, the test protocol shall provide for testing in strict accordance with applicable procedures in 40 C.F.R. Part 60, Appendix A, Standards of Performance for New Stationary Sources, or in 40 C.F.R. Part 61, Appendix B, National Emission Standards for Hazardous Air Pollutants. Any variations in sampling or analytical procedures must be indicated in the test protocol and receive written approval from EPA prior to testing.

The test protocol shall provide the following information, at a minimum:

1. Identification and a brief description of the source to be tested. The description shall include:

    a. Type of industrial process or combustion facility;

    b. Type and quantity of raw and finished materials used in the process;

    c. Description of any cyclical or batch operations which would tend to produce variable emissions with time;

    d. Basic operating parameters used to regulate the process; and

    e. Rated capacity of the process.

2. A brief description of the air pollution control equipment associated with the process, including:

    a. Type of control device;

    b. Operating parameters;

    c. Rated capacity and efficiency; and

    d. Ultimate disposal of wastes.

3. Type of pollutant to be sampled (particulate matter, NOx, SO_2, hydrocarbons, etc.).

4. A description of the emission sampling equipment, including a schematic diagram of the sampling train.

5. A description of the sampling and analysis procedures. Reference standard methods, if applicable. Indicate any proposed variations and provide justification.

6. A sketch with dimensions indicating the flow of exhaust gases from the process, through the control equipment and associated ductwork to the stack.

7. In accordance with 40 C.F.R. Part 60, Appendix A, Method 1:

    a. An elevation view of the dimensions of the stack configuration indicating the location of the sampling ports and distances to the nearest upstream and downstream flow interferences; and
    b. A cross-sectional sketch of the stack at the sampling location with dimensions indicating the location of the sampling traverse points.

8. Estimated flue gas conditions at sampling location, including temperature, moisture content, and velocity pressure.

9. A description of the process and control equipment operating data to be collected during the sampling period.

10. Copies of the field data sheet forms to be used during the tests.

11. Names and titles of personnel who will be performing the tests.

12. A description of the procedures for maintaining the integrity of the samples collected, including chain of custody and quality control procedures.

13. Calibration sheets for the dry gas meter, orifice meter, pilot tube, and/or any other equipment that requires calibration.

14. A list of pre-weighed filters to be used during particulate emission testing, including identification and tare weights.

(Note: Items 13 and 14 must be submitted prior to actual testing, but need not be included with the pretest information.)

B. EMISSION TEST REPORT REQUIREMENTS

The emission test report must contain all pertinent data concerning the tests, including a description of the process and operating conditions under which the tests were made, the results of the tests, and test procedures. While the exact format of the report will vary depending upon the type and objective of the tests, below is a suggested format containing elements that must be incorporated in the report.

1. Introduction:

    a. Identification, location, and dates of tests;

    b. Purpose of tests;

    c. Brief description of source; and

    d. Name and affiliation of person in charge of tests.

2. Summary of results:

    a. Operating and emission data; and

    b. Comparison with applicable emission regulations.

3. Source description:

    a. Description of process including operation of emission control equipment;

    b. Flow sheet (if applicable);

    c. Type and quantity of raw and finished materials processed during the tests;

    d. Maximum normal rated capacity of the process; and

    e. Description of process instrumentation monitored during the test.

4. Sampling and analytical procedures:

    a. Description of sampling train and field procedures;

    b. Description of recovery and analytical procedures;

    c. Sketch indicating sampling port locations relative to process, control equipment upstream and downstream flow disturbances; and

d. Sketch or cross-sectional view of stack indicating traverse point locations.

5. Test results and discussion:

   a. Detailed tabulation of results including process operating conditions and flue gases conditions;

   b. Discussion of significance of results relative to operating parameters and emission regulations; and

   c. Discussion of any divergences from normal sampling procedures or operating conditions that could have affected the test results.

6. Calculation and data reduction methods:

   a. Description of computational methods, including the equation format used to obtain final emissions results from field data; and

   b. Sample calculations from at least one run of each type of test performed.

7. Appendix

   a. Copies of all field data collected during the test, including sampling data sheets and process operating logs;

   b. Copies of all analytical laboratory data;

   c. Calculation sheets or computer input and output data;

   d. Sampling equipment and laboratory calibration data;

   e. Names and titles of personnel and organizations participating in the tests;

   f. Visible emission observations performed during the tests (if required); and

   g. Copies of all chain of custody information.